

MEMORANDUM
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0291 Lockheed

(copy under Reischauer)

My Turn

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The Lessons of the Lockheed Scandal

Ever since Watergate, we Americans have become dreadfully accustomed to unpleasant revelations from Washington. Recent allegations that Lockheed officials made huge payoffs in Japan may seem just another airing of our own dirty linen. We realize that such disclosures may temporarily tarnish the American image abroad, but we do not expect them to set off big explosions. But that is exactly what has happened in the case of the Lockheed scandal in Japan.

The political process in Japan is in turmoil, untimely elections—that is, untimely from the point of view of the party in power—may prove necessary, and, as a result, leadership might slip at least partly into the hands of opposition parties that are less friendly to the United States. In the meantime, the Japanese are furious with the United States, and Japanese-American relations, which only a few months ago had never been better, have passed under a chilling shadow.

Americans may wonder why all the fuss. They have the vague impression that foreign lands, or at least Asian countries, run their affairs corruptly and that U.S. firms competing with foreigners for sales in such countries may be forced into bribery. This may inflame American sensibilities, they feel, but why should the foreigners get excited?

THE ORDEAL OF CORRUPTION

If this is what Americans think, then they are as woefully uninformed about Japan as the Lockheed officials must have been who got us all into this mess. Japanese are lavish with tax-free entertaining, and, as with us, the line between legal and illegal political contributions is somewhat indistinct. But the Japanese are very rigid about the sort of corruption alleged in the Lockheed case. Corruption is often a political issue in Japan, but that is because standards are so high. The last major scandal involving bribery in high

places was the Siemens affair of 1914 when, just before the first world war, a German company was alleged to have made payoffs to Japanese naval officers.

The government fell as a consequence.

With this background, one can understand the irritation of the Japanese when a branch of the American Government blithely alleges that Japanese Cabinet members and high government officials have taken huge bribes and then another branch of the American Government at first tries to keep the supporting evidence from the Japanese Government and finally transmits it but only on the condition that no names may be revealed unless indictments are made—which in most cases will be impossible because of the Japanese statute of limitations. To the Japanese, this seems an infuriating

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